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August 31, 2004

Docketing Department
South Carolina Public Service Commission
P.O. Drawer 11649
Columbia, South Carolina 29211

Re: South Carolina Utilities, Inc.
Docket Nos. 2003-250-S and 2004-95-S

Docketing Department:

I am writing to set forth the Consumer Advocate's position on the Stipulation entered into by the other parties of record in these dockets. It is clear that South Carolina Utilities, Inc. customers in the Gem Lakes Subdivision benefit from the terms of this Stipulation through significantly lower rates than have been proposed in the Company's rate application. At some point in the future, however, the Commission may have to judge the reasonableness of including the interconnection costs for the Gem Lakes Subdivision in the rates of United Utility Companies, Inc. While I do not believe the Commission's approval of this Stipulation would create any binding precedent as to the details of future cost recovery, in an abundance of caution, and to avoid waiving any future arguments that could be made, the Consumer Advocate does not consent to the Stipulation, but also does not oppose the Commission considering the Stipulation without a hearing.

Sincerely,

Elliott F. Elam, Jr.
Acting Consumer Advocate

cc: parties of record